

Brussels, 5 November 2010

€382,200 job search funding from EU Globalisation Fund for former workers from Spanish car sector

The European Commission has approved today an application from Spain for €382,200 of assistance from the European Globalisation adjustment Fund (EGF). The application was submitted after 515 employees involved in the production of electrical equipment for cars were made redundant by Lear Automotive in Roquetes, the county of Baix Ebre in Catalonia. The application will now go to the European Parliament and the Member States (the EU's Budgetary Authority) for approval.

"The employment situation in the Baix Ebre county in Catalonia is particularly vulnerable. The EU Globalisation Fund will help the former Lear workers on the pathway to a new job, complementing support the workers will already receive" said László Andor, EU Commissioner for Employment, Social Affairs and Inclusion. He added: *"I am confident that the planned job search measures funded by the EGF will make the workers' transition to a new job easier and faster."*

The Spanish application relates specifically to 508 redundancies in Lear Automotive (EEDS) Spain, S.L. Sociedad Unipersonal, a company involved in the manufacture of electrical equipment for cars.

The dismissals were a consequence of the severe impact of the global financial and economic crisis on demand for vehicles in Spain and in its export markets. Although the automotive sector had been experiencing difficulties mainly due to delocalisation before the crisis, the automotive industry in Catalonia managed to remain stable until early 2008. Subsequently, the industry began to feel the impact of the crisis with a sudden drop in demand for vehicles in Spain and worldwide. The related fall in demand for electrical equipment for cars combined with the inability to reduce production costs further resulted in the closing down of the Lear production plant in Roquetes (Baix Ebre, Catalonia).

The redundancies covered by this application occurred in Baix Ebre. Baix Ebre includes 14 municipalities, 74 962 inhabitants and a population density lower than the EU average. The job opportunities created by Lear were vital for the county, which has been lagging behind the Catalonian average in economic terms. The closing down of Lear increased the unemployment rate by 4% in the region, which in 2009 was already 22,7 %, while in Catalonia as a whole it was 17,5 %. The towns most affected by the Lear redundancies are Roquetes and Tortosa. Due to the small size of both towns and the lack of alternative employment, the redundancies in Lear have a significant local impact.

The EGF assistance will complement Lear's social plan by offering the 508 targeted workers training for vocational qualifications, entrepreneurship incentives and participation incentives. The total estimated cost of the package is €588 000, of which the European Union has been asked to provide EGF assistance of €382 200.

Recently the Commission approved another Spanish application related to redundancies in enterprises also operating in the automotive sector in the same region (Catalonia) [see [IP/10/1088](#)].

Background

There have been 65 applications to the EGF since the start of its operations in January 2007, for a total amount of about €373.6 million, helping more than 70,000 workers. EGF applications relate to the following sectors: automotive (France, Spain, Portugal, Austria, Germany, Sweden); textiles (Italy, Malta, Lithuania, Portugal, Spain and Belgium); mobile phones (Finland and Germany); domestic appliances (Italy); computers and electronic products (Ireland and Portugal); mechanical/electronic (Denmark and Germany); repair and maintenance of aircraft and spacecraft (Ireland); crystal glass (Ireland); ceramics and natural stone (Spain); construction (Netherlands, Ireland and Lithuania); carpentry and joinery (Spain); electrical equipment (Lithuania) publishing and printing industry (Netherlands), furniture (Lithuania), retail trade (Czech Republic and Spain) and wholesale trade (Netherlands). Final reports from the earlier cases supported by the EGF show strong results in helping workers stay in the labour market and find new jobs.

The EGF, an initiative first proposed by the Commission President José Manuel Barroso to provide help for people who lose their jobs due to the impact of globalisation, was established by the European Parliament and the Council at the end of 2006. In June 2009, the EGF rules were revised to strengthen the role of the EGF as an early intervention instrument. It forms part of Europe's response to the financial and economic crisis. The revised EGF Regulation entered into force on 2 July 2009 and applies to all applications received from 1 May 2009 onwards.

Further information

EGF website : <http://ec.europa.eu/egf>

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